# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

STARRED QUESTION NO:560
ANSWERED ON:30.08.2001
POLICY TO FIX A CEILING ON THE GENERATING COST OF POWER PROJECTS
IQBAL AHMED SARADGI;Y.S. VIVEKANANDA REDDY

**Will the Minister of POWER be pleased to state:**

(a) whether a policy to fix a ceiling on the generating cost of power has been evolved by the Union Government;

(b) if so, the details thereof;

(c) whether the National Thermal Power Corporationis likely to set up a project based on the latest super critical technology and its cost per megawatt will be a benchmark to bid for any new projects; and

(d) the time by which the policy is likely to be implemented?

## Answer

THE MINISTER OF POWER ( SHRI SURESH P. PRABHU )

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 560 TO BE ANSWERED IN LOK SABHA ON 30.08.2001 REGARDING POLICY TO FIX A CEILING ON THE GENERATING COST OF POWER PROJECTS.

(a) to (d) : The Ministry of Power set up an Inter Disciplinary Group (IDG) in the context of the need to reduce the cost of delivered power to the end user(s) and bring transparency in the bidding process of power projects. The Group in its report submitted in April,2001 has recommended various short term and long term measures in the areas of :

? The Project execution stage
? Bench marking of capital costs
? Operation and Maintenance of Power Plants
? Renovation and Modernisation of Power Plants
? Reduction of Transmission and Distribution losses
? Human Resource Development & Training.

There is a proposal of NTPC to install the first power project based on super critical technology at Sipat with three units of 660 MW each in Madhya Pradesh. The Techno-economic clearance (TEC) for this project has been accorded by CEA.The NTPC shall be adopting International Competitive Bidding (ICB) for award of various packages resulting in optimum cost for various facilities. Accordingly, the cost of main plant equipment could be taken as a kind of bench mark cost of future projects. However, being site specific the cost of auxiliary facilities such as coal, water and civil works, etc. may vary. Cost/MW of NTPC`s other new power projects being planned to be based on super critical technology shall depend on site conditions, unit sizes, off site facilities and technology etc.

NTPC plans to commission two units of 660 MW each in the Tenth Plan, with the third unit (660 MW) to be commissioned in the Eleventh Plan.